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No. 95-127

In The Supreme Court of the United States October Term, 1995

VAN KLASSENS, INC.
AND
ROBERT LUKINGBEAL,

Petitioners,

v.

IMAGINEERING, INC.,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITIONERS' REPLY BRIEF

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PETITIONERS' REPLY BRIEF

Petitioners, Van Klassens Inc. and Robert Lukingbeal, ("Van Klassens"), have asked this Court to determine whether trade dress law should be interpreted to grant Respondent, Imagineering, Inc., a monopoly of indefinite duration in goods that have been placed in the public domain by operation of the patent law. Respondent, *inter alia* has improperly reframed the issues. In response, Respondent assumes the validity of such a monopoly and argues alleged competitive villainy on the part of the Petitioners. Such a response, however, begs the question as, absent such a monopoly there is no villainy. Art. I, §8, cl. 8, of the Constitution, and the implementing federal statutes, proscribe such a monopoly by allowing free access to copy whatever the patent laws leave in the public domain. Thus, Respondent's argument is specious and fails to properly address the issues raised by Petitioners.

I. THIS CASE PRESENTS AN ISSUE OF NATIONAL IMPORTANCE REGARDING WHETHER TRADE DRESS LAW CAN MONOPOLIZE PRODUCT DESIGNS PLACED IN THE PUBLIC DOMAIN BY OPERATION OF PATENT LAW.

In its Brief In Opposition To Petition For Certiorari, ("Respondent's Brief"), Respondent argues that the issues presented in Van Klassens' Petition are "based on factual predicates rejected by the jury". Respondent's Brief, p. i. In an attempt to distract this Court from the real issue, Respondent frames its own hypothetical issue and proceeds to argue that its issue does not require the Court's attention. While Van Klassens agrees that Respondent's hypothetical issue does not merit the Court's attention, it is important to remember what questions Van Klassens has presented and has asked the Court to review. Namely:

I. Whether it is contrary to federal patent law for the designs of twenty-two unpatented products to be monopolized in perpetuity as inherently distinctive trade dress.

II. Whether a competitor that labels its furniture and advertising with its own source-indicative trademark can be assessed punitive damages under state unfair competition law for selling product designs passed into the public domain by operation of federal patent law.

These are real issues that are ripe for adjudication by the Court and are of national interest. As highlighted in the Motion Of Pass & Seymour, Inc. To File An Amicus Curiae Brief in Support Of Petition For Writ of Certiorari, the Court's treatment of Van Klassens' assertions will affect the future ability of the public to determine whether it may rely upon the subject matter of expired or invalidated patents in bringing products to the marketplace.

Respondent dedicated the design of its rocking chair to the public pursuant to 35 U.S.C. §253. This notwithstanding, Van Klassens has been enjoined from making and selling any rocking chair that resembles that rocking chair. Van Klassens has also been enjoined from commercializing any pieces of furniture that resemble numerous other pieces of furniture, which Respondent strenuously argues have the same trade dress as the rocking chair. Moreover, damages, actual and punitive, have been assessed against Van Klassens for commercializing Respondent's unpatented and unpatentable furniture. The lower courts have interpreted Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), in a manner that allows Respondent to assert exclusive rights in a chair design that has been dedicated to the public under the patent law. This clearly conflicts with the federal policy found in Art. I, §8, cl. 8, of the Constitution, and in the implementing federal statutes, of allowing free access to copy whatever the patent laws leave in the public domain. *Compare Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964).

Respondent's *ad hominem* attacks and assertions of improper motive on the part of Van Klassens does not negate this clear conflict. Indeed, even if one were to accept Respondent's "version" of the facts, i.e. that its trade dress is inherently distinctive, that Van Klassens intentionally copied, etc., there is still a conflict between the lower court's interpretation of Section 43(a) and the strong federal policy of free access to unpatented and unpatentable designs. Indeed, what Respondent characterizes as unfair competition has been characterized by this Court as the "very lifeblood of a competitive economy". *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 146 (1989).

Respondent argues that Van Klassens issues are based on factual predicates rejected by the jury. Respondent's Brief pp. i, See also, Respondent's Brief pp. 2, 4, 5, 14, 30. However, in truth, the district court, on motion by Respondent, excluded any evidence relating

to Respondent's invalid patent from the jury.[1] Moreover, Respondent's Brief fails to address the legal impact of the dedication of the design of its rocking chair to the public under 35 U.S.C. §253. It is Respondent's opposition that is based on a hypothetical factual basis.

That the jury found that there was a likelihood of confusion is irrelevant to the issues presented by this petition. Not all potential or even actual confusion constitutes unfair competition. For example, in the case of a patented product whose patent has expired, the former patent owner may, as the result of its monopoly under the patent law, have established a strong secondary meaning through an overwhelming market share which the public misperceives to mean that the patented product functions as a trademark. However, such a misperception by members of the public does not constitute "unfair" competition or trademark infringement. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, *reh'g denied* 305 U.S. 674 (1938); *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 294 n. 2 (3d Cir. 1986); and *In re Northland Aluminum Products, Inc.*, 777 F.2d 1556, 1558 (Fed. Cir. 1985).[2] What a purchaser might mistakenly believe regarding the source-indicating function of a word or design is not the determinative test for assessing whether a protectable interest is present. A number of courts have rejected evidence of consumer perceptions where it was

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[1]As an example, the jury was not permitted to hear sworn statements, made to the PTO by Imagineering's then-president, that Respondent's rocking chair had "an overall different appearance than" Respondent's Weatherend settee. This sworn statement contradicted both her sworn testimony at trial and Respondent's argument here that these two pieces of furniture share a common trade dress. Nor was the jury permitted to hear that the Examiner initially rejected the rocking chair patent application for obviousness reasons.

[2]"The solution to the confusion problem is public education. If the public understands that copying is likely, the public will come to rely upon labeling and will not assume that all products of a similar configuration come from the same source. While that result will not appeal to persons seeking protection against copying of unlimited duration, it would be consistent with our Constitution and the Supreme Court's interpretation of it." John B. Pegram, *Trademark Protection of Product and Container Configurations*, 81 Trademark Reporter 1, 27 (1991), (hereinafter "Pegram").

apparent that a designation simply could not serve a trademark function. *Henry Heide, Inc. v. George Ziegler Co.*, 354 F.2d 574 (7th Cir. 1965); *Miller Brewing Co. v. Jos. Schlitz Brewing Co.*, 605 F. 2d 990, 995 (7th Cir. 1979), *cert. denied* 444 U.S. 1102 (1980); *Norwich Pharmacal Co. v. Sterling Drug, Inc.*, 271 F.2d 569, 572-73 (2d Cir. 1959) and *Dixi-Cola Laboratories, Inc. v. Coca-Cola Co.*, 117 F.2d 352 (4th Cir. 1941), *cert. denied*, 314 U.S. 629 (1941).

Respondent has relied upon decisions which, for the most part, have been handed down in the last two (2) decades, when activist lower courts were vastly expanding the reach of what is fundamentally the federal common law of unfair competition gleaned from Section 43(a) of the Trademark Act. 15 U.S.C. §1125(a). See, Respondent's Brief, pp. 26-27.[3] As noted in the brief of Amicus Pass & Seymour, the lower courts appear to be retreating from their activist role as they recognize that the law of unfair competition has, especially in the product configuration area, gone too far. Amicus Br., pp. 4-5.

More specifically, in a very recent case, the United States Court of Appeals for the Tenth Circuit, ("Tenth Circuit") held that where a disputed product configuration is part of a claim in a utility patent, and the configuration is a described, significant inventive aspect of the invention, (so that without it the invention could not fairly be said to be the same invention), patent law prevents its protection as trade dress, even if the configuration is nonfunctional. *Vornado Air Circulation Systems Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995). The Tenth Circuit did not address whether utility patents should be viewed differently than design patents, as some courts have held. See 58 F.3d at 1503 fn. 11 (collecting cases). However, it is beyond argument that

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[3]The exception being *In re Mogen David Wine Corporation*, 328 F.2d 925 (CCPA 1964). Decided Mar. 12, 1964, *Mogen David* was handed down by the CCPA three (3) days after *Sears/Compco* were decided and does not mention either of those clearly applicable precedents - - leading to the conclusion that the *Mogen David* court had prepared its decision prior to this Court's decision in *Sears/Compco* and did not consider *Sear/Compco* in reaching its decision, a situation which places the precedential value of *Mogen David* very much in doubt.

the design of the rocking chair is the "significant inventive aspect of the invention", which Imagineering dedicated to the public under 35 U.S.C. §253. The Tenth Circuit explained:

> Given, then, that core patent principles will be significantly undermined if we do not allow the copying in question, and peripheral Lanham Act protections will be denied if we do, our answer seems clear. Much has been said in this and other section 43(a) cases about whether a second competitor needs to use a particular product design to compete effectively. But where Lanham Act goals are not the only ones at stake, we must also examine the degree to which a first competitor needs to use a useful product feature instead of something else -- a name, a label, a package -- to establish its brand identity in the first place.
>
> It would defy logic to assume that there are not almost always many more ways to identify a product than there are ways to make it. See In re Water Gremlin Co., 635 F.2d 841, 844 (CCPA 1980) (" [A] merchant who wishes to set himself apart has no dearth of means to do so."). And if one of the ways to configure the product itself has been deemed important enough to the advance of technology for the government to grant a utility patent, we must find its value as a product feature to exceed its value as a brand identifier in all but the most unusual cases.

58 F.3d at 1509-1510 (footnote omitted). *A fortiori*, if the federal policy found in Art. I, §8, cl. 8, of the Constitution, and in the implementing federal statutes, are to be given import, once Respondent dedicated its design to the public domain under 35 U.S.C. §253, it should not have been allowed to extract that design from the public domain by a trade dress claim under Section 43(a) of the Lanham Act. Further, a strict reading of the Lanham Act does not support the interpretation being given by the lower courts. Section 43(a) was narrowly drawn and intended to prevent false designations or

representations as to the geographical origins of products, but has been interpretted to create, in essence, a federal law of unfair competition. Pegram, p. 8, (citation omitted).

> As commentators have noted, it would have been anomalous for Congress to enact an entire statute [the Lanham Act], 45 sections in length, to define and protect trademarks by federal law and then in a passing reference to enact as federal law the entire common law of unregistered marks and unfair competition.

Pegram, p. 8, quoting *Chevron Chemical Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695 (5th Cir. 1981) cert. denied , 457 U.S. 1116 (1982)

Respondent's Brief points out the far-reaching and radical nature of the expansion of unfair competition law this case represents. In essence, what Respondent argues is that a trade dress which cannot be defined other than in the vaguest terms should be protected as an idea. Respondent's Brief, p. 22.[4] Protection of ideas is not the province of trademark law.

The danger of Respondent's position is highlighted by it's assertion that its furniture should be considered a trade dress because the individual pieces "work well together".[5] Respondent's Brief, pp. 23-24. Under such a theory, it would be trade dress infringement for one competitor to create furniture which complements or "goes with" the furniture of another company. Such a position opens vast new horizons for trademark litigation. However, the offsetting commercial uncertainty which will face designers and manufacturers of products of

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[4] Respondent asserts that its trade dress is nothing more than "the use and spacing of slats, a substantial conformity in the configuration of arms and forelegs, and a predominance of soft curvatures."

[5]This position is a logical result of the unfortunate extent of the departure by the lower courts into the realm of "idea" protection through use of unfair competition law,

every description underscores the need, as expressed recently in *Vornado*, to reign in trade dress protection so that this area of the law does not stifle competition and deny consumers a choice of products in the marketplace.

It is noted that Respondent recognizes the precedential authority of *Compco*. Respondent's Brief at p. 28. However, Respondent has misconstrued *Compco*. Rather than setting forth any preemption exceptions, as argued by Respondent, the Court set forth a list of factors that may be relevant to applying a State law requiring labeling.[6] However, the Court made abundantly clear that no facts, regardless of the competitor's motive, could support an award of damages for the actual acts of copying and selling public domain products. More specifically, the Court stated:

> A state of course has power to impose liability upon those who, knowing that the public is relying upon an original manufacturer's reputation for quality and integrity, deceive the public by palming off their copies as the original. That an article copied from an unpatented article could be made in some other way, that the design is "nonfunctional" and not essential to the use of either article, that the configuration of the article copied may have a "secondary meaning" which identifies the maker to the trade, or that there may be "confusion" among purchasers as to which article is which or as to who is the maker, may be relevant evidence in applying a State's law requiring such precautions as labeling; however, and regardless of the copier's motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.

Compco., 376 U.S. at 238 (emphasis added).

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[6]Here, Petitioner has always labeled its products and advertising with its own source indicative name, Van Klassens.

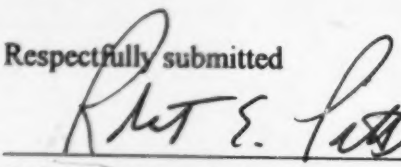
The present interpretation being given Section 43(a) by some of the lower courts, and by the lower courts in the present case, allows Section 43(a) to become an anticompetitive weapon for large companies to use to litigate small competitors out of business. As exemplified by the vagueness of the trade dress claim in the present case, small companies can no longer rely upon the lack of notice inherent in the federal patent system, or public patent records in their efforts to bring designs to the marketplace without exposing themselves to business destruction by litigation.

CONCLUSION

There is a conflict between the federal patent law policy favoring free competition in ideas which do not merit patent protection and the interpretation given Section 43(a) of the Lanham Act by activist lower courts apparently dissatisfied by Congress's refusal to "alter the patent protections presently available for industrial designs." *Bonito Boats*, 489 U.S. at 168. As this Court correctly noted, "[i]t is for Congress to determine if the present system of design ... patents is ineffectual in promoting the useful arts in the context of industrial designs." *Id.* For the reasons set forth above, in its Petition for Writ of Certiorari, as well as on the arguments set forth in the brief *amicus* of Pass & Seymour, Van Klassens respectfully requests that this Court grant its Petition for a Writ of Certiorari.

September 18, 1995

Respectfully submitted



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